

Opportunity Zone Tax Credits

- Part of the Georgia Job Tax Credit Program under O.C.G.A. 48-7-40.1(c)(4)
- Business can be any business of any nature; not bound by “business enterprise” definition
- Business must create at least two (2) net new jobs within a tax year and the new jobs must be full-time jobs of at least 35 hours per week (Note: The two jobs may not be filled by a married couple)
- New jobs must be offered health insurance; the employer does not have to pay for such insurance, just offer it
- The average wage of the new jobs created must pay above the average wage of the county with the lowest average wage in the state - currently Echols County at \$406 / week or \$21,112 / year, per DOL (Georgia Employment & Wages – 2007 Averages)
- Jobs must be created in Year 1, then maintained in Year 2, before claiming the credit on the Year 2 tax return – for example, eligible new jobs created in 2008 and maintained in 2009 may be claimed for the first time on the 2009 tax return which will be filed in 2010
- Credit is claimed by filing *Form IT-CA (2001)* with the Georgia Corporate Income Tax return
- Credit may be applied against 100% of any corporate income tax liability on the Georgia Income Tax Return
- Excess credit may be applied against withholding

Withholding Tax Credits

- Job Tax Credit claimed against withholding (WH) may not exceed \$3,500 per job
- Credit must be first applied to any corporate income tax liability prior to claiming WH
- Carry forward credits may not be applied to withholding
- Credit is applied to future withholding tax returns
- No refund paid on withholding credits
- Credits not applicable to withholding (i.e. existing industry bonus) may be carried forward or, if a flow-through entity, flowed through to partners or shareholders

Claiming Withholding Credit

- Business must file *Form IT-WH* with the Department of Revenue (DOR) at least 30 days prior to the filing of the tax return in which the credit will be filed and claimed
- DOR has 90 days to review once the return is filed
- Business will receive notice from DOR of approved credit and when to claim against WH
- Business will then apply credit to WH returns until fully utilized
- Withholding credit has no affect on employees
- Flow-through entities may elect to claim the withholding provision or flow the credit through to shareholders, partners, or members. This is an annual election so the entity can elect to claim the withholding benefit in one year and then flow the credit through the next year. This is all dependent upon the filing of *Form IT-WH*.